

## YOUNG CONAWAY STARGATT &amp; TAYLOR, LLP

BRUCE M. STARGATT  
 BEN T. CASTLE  
 SHELDON N. SANDLER  
 RICHARD A. LEVINE  
 RICHARD A. ZAPPA  
 FREDERICK W. JOBST  
 RICHARD H. MORSE  
 DAVID C. MCBRIDE  
 JOSEPH M. NICHOLSON  
 CRAIG A. KARSNITZ  
 BARRY M. WILLOUGHBY  
 JOSY W. INGERSOLL  
 ANTHONY G. FLYNN  
 JEROME K. GROSSMAN  
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 JAMES L. PATTON, JR.  
 ROBERT L. THOMAS  
 WILLIAM D. JOHNSTON  
 TIMOTHY J. SNYDER  
 BRUCE L. SILVERSTEIN  
 WILLIAM W. BOWSER  
 LARRY J. TARABICOS  
 RICHARD A. DILIBERTO, JR.  
 MELANIE K. SHARP  
 CASSANDRA F. ROBERTS  
 RICHARD J. A. POPPER  
 TERESA A. CHEEK  
 NEILLY MULLEN WALSH  
 JANET Z. CHARLTON  
 ROBERT S. BRADY  
 JOEL A. WAITE  
 BRENT C. SHAFFER  
 DANIEL P. JOHNSON  
 CRAIG D. GREAR  
 TIMOTHY JAY HOUSEAL  
 BRENDAN LINEHAN SHANNON  
 MARTIN S. LESSNER  
 PAULINE K. MORGAN  
 C. BARR FLINN  
 NATALIE WOLF  
 LISA B. GOODMAN  
 JOHN W. SHAW  
 JAMES P. HUGHES, JR.  
 EDWIN J. HARRON  
 MICHAEL R. NESTOR  
 MAUREEN D. LUKE  
 ROLIN P. BISSELL  
 SCOTT A. HOLT

JOHN T. DORSEY  
 M. BLAKE CLEARY  
 —————  
 ATHANASIOS E. AGELAKOPOULOS  
 JOSEPH M. BARRY  
 SEAN M. BEACH  
 DONALD J. BOWMAN, JR.  
 TIMOTHY P. CAIRNS  
 CURTIS J. CROWTHER  
 MARGARET M. DIBIANCA  
 ERIN EDWARDS  
 KENNETH J. ENOS  
 IAN S. FREDERICKS  
 JAMES J. GALLAGHER  
 DANIELLE GIBBS  
 ALISON G.M. GOODMAN  
 SEAN T. GREECHER  
 KARA S. HAMMOND  
 DAWN M. JONES  
 RICHARD S. JULIE  
 KAREN E. KELLER  
 JENNIFER M. KINKUS  
 EDWARD J. KOSMOWSKI  
 JOHN C. KUFFEL  
 TIMOTHY E. LENGEKKE  
 MATTHEW B. LUNN  
 JOSEPH A. MALFITANO  
 GLENN C. MANDALAS  
 ADRIA B. MARTINELLI  
 MICHAEL W. MCDERMOTT  
 MATTHEW B. MCGUIRE  
 MARIBETH L. MINELLA  
 EDMON L. MORTON  
 D. FON MUTTAMARA-WALKER  
 JENNIFER R. NOEL  
 JOHN J. PASCHETTO  
 ADAM W. POFF  
 SETH J. REIDENBERG  
 FRANCIS J. SCHANNE  
 MICHELE SHERRETTA  
 MICHAEL P. STAFFORD  
 JOHN E. TRACEY  
 ALFRED VILLOCH, III  
 MARGARET B. WHITEMAN  
 CHRISTIAN DOUGLAS WRIGHT  
 SHARON M. ZIEG

THE BRANDYWINE BUILDING  
 1000 WEST STREET, 17TH FLOOR  
 WILMINGTON, DELAWARE 19801

P.O. BOX 391  
 WILMINGTON, DELAWARE 19899-0391

(302) 571-6600  
 (800) 253-2234 (DE ONLY)  
 FAX: (302) 571-1253

WRITER'S DIRECT DIAL NUMBERS  
 VOICE: (302) 571-6689  
 FAX: (302) 576-3334

E-MAIL: [jshaw@ycst.com](mailto:jshaw@ycst.com)

H. ALBERT YOUNG  
 1929-1982  
 H. JAMES CONAWAY, JR.  
 1947-1990  
 WILLIAM F. TAYLOR  
 1954-2004

STUART B. YOUNG  
 EDWARD B. MAXWELL, 2ND  
 OF COUNSEL

JOHN D. MC LAUGHLIN, JR.  
 ELENA C. NORMAN (NY ONLY)  
 PATRICIA A. WIDDROSS  
 SPECIAL COUNSEL

GEORGETOWN OFFICE  
 110 WEST PINE STREET  
 P.O. BOX 594  
 GEORGETOWN, DELAWARE 19947  
 (302) 856-3571  
 (800) 255-2234 (DE ONLY)  
 FAX: (302) 856-9338

May 11, 2005

The Honorable Joseph J. Farnan, Jr.  
 United States District Court  
 844 North King Street  
 Wilmington, Delaware 19801

Re: MBIA Ins. Corp. ("MBIA") and Wells Fargo Bank N.A. ("Wells Fargo") v. Royal, C.A. No. 02-1294-JJF

Charles A. Stanziale, Jr. Chapter 7 Trustee of Student Finance Corp. v. Pepper Hamilton, et al., C.A. No. 04-1551-JJF

Charles A. Stanziale, Jr., Chapter 7 Trustee of Student Finance Corp. v. McGladrey & Pullen LLP, et al., C.A. No. 05-72-JJF

Royal v. Pepper Hamilton, et al., C.A. No. 05-165-JJF

Dear Judge Farnan:

We represent plaintiffs and counterclaim defendant Wells Fargo in Civil Action No. 02-1294. We write regarding the letters to the Court dated April, 14, April 15, April 28, May 6 and May 9, 2005 seeking a joint status conference to consider the schedules for all four of the proceedings referred to above.

YOUNG CONAWAY STARGATT & TAYLOR, LLP

The Honorable Joseph J. Farman, Jr.

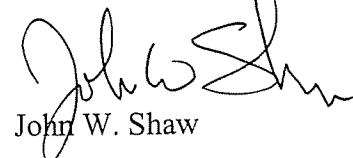
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As the Court is aware, all of the claims asserted by Wells Fargo, as well as by MBIA, in Case No. 02-1294, have already been adjudicated, as have most of Royal's counterclaims against those parties. The only remaining claim involving either Wells Fargo or MBIA is Royal's counterclaim against Wells Fargo for alleged breach of contract.

We respectfully submit that a joint conference with the Court to consider a schedule for all four of these actions is premature. We request that before any such conference, consistent with FRCP Rules 16 and 26(f), the various parties to these actions be ordered to confer regarding a proposed joint schedule that takes into account the different procedural posture of these cases. We believe proceeding this way makes more sense because it will narrow the issues to be raised and decided by the Court.

Respectfully submitted,



John W. Shaw

JWS:pt

cc: Clerk of the Court (by hand delivery)  
Tiffany L. Geyer, Esquire (by hand delivery)  
Joseph H. Huston, Jr., Esquire (by hand delivery)  
Peter C. Hughes, Esquire (by hand delivery)  
William H. Sudell, Jr., Esquire (by hand delivery)  
Karen Lee Turner, Esquire (by hand delivery)  
Christopher A. Ward, Esquire (by hand delivery)  
Christopher M. Wint, Esquire (by hand delivery)  
Vernon R. Proctor, Esquire (by hand delivery)  
Dawn N. Zubrick, Esquire (by hand delivery)  
Michael H. Barr, Esquire (by facsimile)  
Bruce S. Haines, Esquire (by facsimile)  
Charles Z. Stanziale, Esquire (by facsimile)  
Richard Swanson, Esquire (by facsimile)  
Neil G. Epstein, Esquire (by facsimile)  
Sheryl Auerback, Esquire (by facsimile)  
John Grossbart, Esquire (by facsimile)  
Elizabeth K. Ainslie, Esquire (by facsimile)  
David Pittinsky, Esquire (by facsimile)  
Ronald S. Rauchberg, Esquire (by facsimile)